Session overview

Originations
- New and Used financing
- Lender and transaction types
- Loan/lease characteristics & scores

Market overview
- Outstanding loan balances
- Portfolio risk distributions
- Delinquency rates
### Score ranges

<table>
<thead>
<tr>
<th>Category</th>
<th>VantageScore® 3.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super prime</td>
<td>781 – 850</td>
</tr>
<tr>
<td>Prime</td>
<td>661 – 780</td>
</tr>
<tr>
<td>Nonprime</td>
<td>601 – 660</td>
</tr>
<tr>
<td>Subprime</td>
<td>501 – 600</td>
</tr>
<tr>
<td>Deep subprime</td>
<td>300 – 500</td>
</tr>
</tbody>
</table>
Originations

New and used lending
Growing reliance upon financing

Percentage of vehicles with financing

<table>
<thead>
<tr>
<th>Year</th>
<th>New</th>
<th>Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2010</td>
<td>80.2%</td>
<td>47.2%</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>81.1%</td>
<td>49.4%</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>82.6%</td>
<td>52.7%</td>
</tr>
<tr>
<td>Q2 2013</td>
<td>84.5%</td>
<td>52.9%</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>85.0%</td>
<td>53.8%</td>
</tr>
<tr>
<td>Q2 2015</td>
<td>85.8%</td>
<td>55.5%</td>
</tr>
</tbody>
</table>

Source: Experian Automotive
Percentage of used model year vehicles without loans

63.2% of all vehicles financed in Q2 2015 were used

Source: Experian Automotive
Consumer leasing

Source: Experian Automotive
Leasing and consumer credit

Lease by vehicle type

- New: 96.7%
- Used: 3.3%

Average lease scores

- Q2 2014:
  - New: 717
  - Used: 608
- Q2 2015:
  - New: 716
  - Used: 623

New leasing by risk segment

- Q2 2014:
  - Nonprime: 26.74%
  - Super prime: 17.19%
  - Prime: 48.83%
  - Subprime: 6.88%
  - Deep subprime: 0%
- Q2 2015:
  - Nonprime: 26.36%
  - Super prime: 17.50%
  - Prime: 48.48%
  - Subprime: 7.24%
  - Deep subprime: 0%

Source: Experian Automotive

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Experian Public.
Top 10 new models based on share of the new lease market

<table>
<thead>
<tr>
<th>Model</th>
<th>Q2 2015</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIVIC</td>
<td>3.5%</td>
<td>3.9%</td>
</tr>
<tr>
<td>ACCORD</td>
<td>2.9%</td>
<td>3.2%</td>
</tr>
<tr>
<td>CAMRY</td>
<td>2.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>CR-V</td>
<td>2.6%</td>
<td>3.1%</td>
</tr>
<tr>
<td>ESCAPE</td>
<td>2.3%</td>
<td>2.5%</td>
</tr>
<tr>
<td>COROLLA</td>
<td>2.2%</td>
<td>2.5%</td>
</tr>
<tr>
<td>FUSION</td>
<td>2.1%</td>
<td>2.4%</td>
</tr>
<tr>
<td>RAV4</td>
<td>2.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>EQUINOX</td>
<td>1.4%</td>
<td>2.0%</td>
</tr>
<tr>
<td>ALTIMA</td>
<td>1.8%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Source: Experian Automotive
Average score comparison on top new leased models

<table>
<thead>
<tr>
<th>Model</th>
<th>Loan Score</th>
<th>Lease Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIVIC</td>
<td>690</td>
<td>711</td>
</tr>
<tr>
<td>ACCORD</td>
<td>718</td>
<td>706</td>
</tr>
<tr>
<td>CAMRY</td>
<td>712</td>
<td>717</td>
</tr>
<tr>
<td>CR-V</td>
<td>743</td>
<td>706</td>
</tr>
<tr>
<td>ESCAPE</td>
<td>727</td>
<td>716</td>
</tr>
<tr>
<td>COROLLA</td>
<td>726</td>
<td>683</td>
</tr>
<tr>
<td>FUSION</td>
<td>726</td>
<td>726</td>
</tr>
<tr>
<td>RAV4</td>
<td>714</td>
<td>712</td>
</tr>
<tr>
<td>EQUINOX</td>
<td>721</td>
<td>707</td>
</tr>
<tr>
<td>ALTIMA</td>
<td>680</td>
<td>701</td>
</tr>
</tbody>
</table>

Source: Experian Automotive
Average new lease characteristics

Average monthly payment

- Q2 2014: $407
- Q2 2015: $394

Term distribution

- 13 - 24 months: 9.72%
- 25 - 36 months: 67.36%
- 37 - 48 months: 22.28%
- 49 - 60 months: 0.56%

Average term = 36 months

Source: Experian Automotive
Average payment comparison on top new leased models

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CIVIC</td>
<td>$362</td>
<td>$251</td>
</tr>
<tr>
<td>ACCORD</td>
<td>$431</td>
<td>$318</td>
</tr>
<tr>
<td>CAMRY</td>
<td>$427</td>
<td>$303</td>
</tr>
<tr>
<td>CR-V</td>
<td>$421</td>
<td>$325</td>
</tr>
<tr>
<td>ESCAPE</td>
<td>$412</td>
<td>$316</td>
</tr>
<tr>
<td>COROLLA</td>
<td>$436</td>
<td>$357</td>
</tr>
<tr>
<td>FUSION</td>
<td>$408</td>
<td>$263</td>
</tr>
<tr>
<td>RAV4</td>
<td>$424</td>
<td>$300</td>
</tr>
<tr>
<td>EQUINOX</td>
<td>$424</td>
<td>$293</td>
</tr>
<tr>
<td>ALTIMA</td>
<td>$428</td>
<td>$298</td>
</tr>
</tbody>
</table>

Source: Experian Automotive
Automotive finance by lender type

Q2 2015 total loan market share

- Bank: 34.72%
- Credit Union: 16.83%
- Captive: 26.80%
- BHPH: 7.15%
- Finance: 14.46%

YOY change in market share

- Bank: -0.5%
- Captive: -1.5%
- BHPH: -5.6%
- Credit Union: 0.8%
- Finance: 6.5%

Source: Experian Automotive
Automotive finance by lender type

Q2 2015 market share by lender type

- **Bank**: 5.01%, 49.85%, 34.70%
- **BHPH**: 10.26%, 22.50%, 34.74%
- **Captive**: 1.6%, 0.18%, 0%
- **Credit Union**: 22.35%, 7.39%, 13.02%
- **Finance**: 5.4%, 10.26%, 22.50%

YOY Change in market share

- **Bank**: 1.6%
- **BHPH**: -2.3%
- **Captive**: -1.3%
- **Credit Union**: 1.9%
- **Finance**: 7.0%

Source: Experian Automotive
Top 20 lenders in the retail loan market

Top 20 represent 48.1% of all retail loans

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Source: Experian Automotive
Top 20 lenders in the NEW retail loan market

Top 20 represent 70.4% of all new retail loans

Source: Experian Automotive
Top 20 lenders in the USED retail loan market

Top 20 represent 38.8% of all used retail loans

Source: Experian Automotive
Average loan credit scores by vehicle type

Source: Experian Automotive
Automotive loans by risk segment

New loans

Q2 2014: 10.49% Super prime, 43.82% Prime, 17.69% Nonprime, 27.36% Subprime, 0.64% Deep subprime
Q2 2015: 11.17% Super prime, 43.04% Prime, 18.02% Nonprime, 26.98% Subprime, 0.79% Deep subprime

Used loans

Q2 2014: 6.18% Super prime, 28.30% Prime, 21.72% Nonprime, 10.44% Subprime, 5.93% Deep subprime
Q2 2015: 5.93% Super prime, 28.17% Prime, 22.08% Nonprime, 10.54% Subprime, 6.18% Deep subprime

Source: Experian Automotive
Risk distribution by lender type

Risk distribution of market share

YOY change in highest risk (<600) segment

Source: Experian Automotive
Risk distribution by lender type

Percentage of financing in highest risk segments (<600)

- **Finance**
  - New: 41.6%
  - Used: 70.6%

- **Credit Union**
  - New: 14.5%
  - Used: 7.4%

- **Captive**
  - New: 21.1%
  - Used: 12.2%

- **BHPH**
  - New: 26.2%
  - Used: 70.7%

- **Bank**
  - New: 16.2%
  - Used: 9.5%

YOY change in highest risk segments

- **Bank**
  - New: -2.79%
  - Used: -18.29%

- **BHPH**
  - New: 9.84%
  - Used: -1.81%

- **Captive**
  - New: -3.30%
  - Used: 6.14%

- **Credit Union**
  - New: -6.11%
  - Used: 5.62%

Source: Experian Automotive
Average financing by risk segment on new and used vehicle loans

### Average amount financed

<table>
<thead>
<tr>
<th>Risk Segment</th>
<th>Q2 2014</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>$27,429</td>
<td>$28,524</td>
</tr>
<tr>
<td>Used</td>
<td>$18,258</td>
<td>$18,671</td>
</tr>
</tbody>
</table>

### Average new amount financed

<table>
<thead>
<tr>
<th>Risk Segment</th>
<th>Q2 2014</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Prime</td>
<td>$24,911</td>
<td>$25,860</td>
</tr>
<tr>
<td>Prime</td>
<td>$28,692</td>
<td>$29,874</td>
</tr>
<tr>
<td>Nonprime</td>
<td>$28,890</td>
<td>$30,142</td>
</tr>
<tr>
<td>Subprime</td>
<td>$26,391</td>
<td>$27,330</td>
</tr>
<tr>
<td>Deep Subprime</td>
<td>$24,182</td>
<td>$24,627</td>
</tr>
</tbody>
</table>

### Average used amount financed

<table>
<thead>
<tr>
<th>Risk Segment</th>
<th>Q2 2014</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Prime</td>
<td>$19,287</td>
<td>$19,680</td>
</tr>
<tr>
<td>Prime</td>
<td>$19,834</td>
<td>$20,248</td>
</tr>
<tr>
<td>Nonprime</td>
<td>$18,225</td>
<td>$18,745</td>
</tr>
<tr>
<td>Subprime</td>
<td>$15,634</td>
<td>$16,102</td>
</tr>
<tr>
<td>Deep Subprime</td>
<td>$13,724</td>
<td>$14,371</td>
</tr>
</tbody>
</table>

Source: Experian Automotive
Average payments by risk segment on new and used vehicle loans

**Average monthly payment**

<table>
<thead>
<tr>
<th></th>
<th>Q2 2014</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>$467</td>
<td>$483</td>
</tr>
<tr>
<td>Used</td>
<td>$355</td>
<td>$361</td>
</tr>
</tbody>
</table>

**Average new payment**

<table>
<thead>
<tr>
<th>Risk Segment</th>
<th>Q1 2015</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super prime</td>
<td>$456</td>
<td>$445</td>
</tr>
<tr>
<td>Prime</td>
<td>$484</td>
<td>$470</td>
</tr>
<tr>
<td>Nonprime</td>
<td>$504</td>
<td>$484</td>
</tr>
<tr>
<td>Subprime</td>
<td>$512</td>
<td>$491</td>
</tr>
<tr>
<td>Deep subprime</td>
<td>$509</td>
<td>$484</td>
</tr>
</tbody>
</table>

**Average used payment**

<table>
<thead>
<tr>
<th>Risk Segment</th>
<th>Q1 2015</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super prime</td>
<td>$351</td>
<td>$347</td>
</tr>
<tr>
<td>Prime</td>
<td>$351</td>
<td>$347</td>
</tr>
<tr>
<td>Nonprime</td>
<td>$363</td>
<td>$355</td>
</tr>
<tr>
<td>Subprime</td>
<td>$378</td>
<td>$372</td>
</tr>
<tr>
<td>Deep subprime</td>
<td>$381</td>
<td>$373</td>
</tr>
</tbody>
</table>

Source: Experian Automotive
Payment gap grows between new and used loans

Average payment difference between new & used car loans

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Payment Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2010</td>
<td>$112</td>
</tr>
<tr>
<td>Q2 2011</td>
<td>$103</td>
</tr>
<tr>
<td>Q2 2012</td>
<td>$101</td>
</tr>
<tr>
<td>Q2 2013</td>
<td>$106</td>
</tr>
<tr>
<td>Q2 2014</td>
<td>$112</td>
</tr>
<tr>
<td>Q2 2015</td>
<td>$122</td>
</tr>
</tbody>
</table>

Source: Experian Automotive
Average term by risk segment on new and used vehicle loans

**Average term**

- New: Q2 2014 = 66, Q2 2015 = 67
- Used: Q2 2014 = 61, Q2 2015 = 62

**Average new term**

- Super prime: Q2 2015 = 61.22, Q2 2014 = 60.34
- Prime: Q2 2015 = 68.49, Q2 2014 = 67.47
- Nonprime: Q2 2015 = 70.63, Q2 2014 = 71.59
- Subprime: Q2 2015 = 71.97, Q2 2014 = 71.35
- Deep subprime: Q2 2015 = 72.08, Q2 2014 = 71.35

**Average used term**

- Super prime: Q2 2015 = 60.80, Q2 2014 = 60.13
- Prime: Q2 2015 = 64.62, Q2 2014 = 63.80
- Nonprime: Q2 2015 = 64.11, Q2 2014 = 62.91
- Subprime: Q2 2015 = 60.93, Q2 2014 = 59.16
- Deep subprime: Q2 2015 = 57.69, Q2 2014 = 54.69

Source: Experian Automotive
Distribution of loan term

Vehicle financing by term

- New
- Used

Source: Experian Automotive

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Average rate by risk segment on new and used vehicle loans

**Average rate**

- **New**
  - Super prime: 4.59% (Q2 2015) vs. 3.36% (Q2 2014)
  - Prime: 8.82% (Q2 2015) vs. 5.12% (Q2 2014)
  - Nonprime: 9.13% (Q2 2015) vs. 6.46% (Q2 2014)
  - Subprime: 22 bps (Q2 2015) vs. 31 bps (Q2 2014)
  - Deep subprime: 31 bps (Q2 2015) vs. 22 bps (Q2 2014)

- **Used**
  - Super prime: 4.81% (Q2 2015) vs. 3.32% (Q2 2014)
  - Prime: 10.91% (Q2 2015) vs. 9.79% (Q2 2014)
  - Nonprime: 10.57% (Q2 2015) vs. 9.51% (Q2 2014)
  - Subprime: 14.51% (Q2 2015) vs. 16.35% (Q2 2014)
  - Deep subprime: 13.16% (Q2 2015) vs. 19.78% (Q2 2014)

**Source:** Experian Automotive
Overall Automotive Finance Market

Market overview and delinquency
A look at automotive loan balances

Outstanding automotive loan balances

Total open balances

- 2013 Q2: $752
- 2014 Q2: $840
- 2015 Q2: $932

Balances by lender type

- All Banks
- Captive Auto
- Credit Union
- Finance

2013 Q2:
- All Banks: $268
- Captive Auto: $215
- Credit Union: $167
- Finance: $103

2014 Q2:
- All Banks: $299
- Captive Auto: $223
- Credit Union: $192
- Finance: $127

2015 Q2:
- All Banks: $323
- Captive Auto: $232
- Credit Union: $225
- Finance: $153

Source: Experian-Oliver Wyman Market Intelligence Reports
Open loan overview

Risk distribution of open loans

Percentage of Open Loans by Risk Segment

- **2013 Q2**: Super prime - 20.45%, Prime - 41.45%, Nonprime - 18.64%, Subprime - 16.30%, Deep subprime - 3.16%
- **2014 Q2**: Super prime - 20.68%, Prime - 41.17%, Nonprime - 18.23%, Subprime - 16.38%, Deep subprime - 3.54%
- **2015 Q2**: Super prime - 20.99%, Prime - 40.79%, Nonprime - 18.20%, Subprime - 16.45%, Deep subprime - 3.57%

YOY Change in Open Loan Volume

- Deep subprime: 7.42%
- Subprime: 6.98%
- Nonprime: 6.35%
- Prime: 5.55%
- Super prime: 8.11%

Source: Experian-Oliver Wyman Market Intelligence Reports
Recent automotive delinquency: 30 day delinquency

30 day delinquency
Percentage of loans 30 DPD

All Banks
- 2014 Q2: 1.91%
- 2015 Q2: 1.84%

Captive Auto
- 2014 Q2: 2.34%
- 2015 Q2: 2.30%

Credit Union
- 2014 Q2: 1.32%
- 2015 Q2: 1.29%

Finance
- 2014 Q2: 5.05%
- 2015 Q2: 4.88%

Total Market
- 2014 Q2: 2.37%
- 2015 Q2: 2.32%

Percentage of loan balances 30 DPD

All Banks
- 2014 Q2: 1.50%
- 2015 Q2: 1.56%

Captive Auto
- 2014 Q2: 2.21%
- 2015 Q2: 2.31%

Credit Union
- 2014 Q2: 1.14%
- 2015 Q2: 1.13%

Finance
- 2014 Q2: 4.77%
- 2015 Q2: 4.69%

Total Market
- 2014 Q2: 2.10%
- 2015 Q2: 2.15%

Source: Experian-Oliver Wyman Market Intelligence Reports
Recent automotive delinquency: 60 day delinquency

60 day delinquency
Percentage of loans 60 DPD

<table>
<thead>
<tr>
<th>All Banks</th>
<th>Captive Auto</th>
<th>Credit Union</th>
<th>Finance</th>
<th>Total Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Q2</td>
<td>0.503%</td>
<td>0.376%</td>
<td>0.302%</td>
<td>0.603%</td>
</tr>
<tr>
<td>2015 Q2</td>
<td>0.495%</td>
<td>0.379%</td>
<td>0.292%</td>
<td>0.607%</td>
</tr>
</tbody>
</table>

Percentage of loan balances 60 DPD

<table>
<thead>
<tr>
<th>All Banks</th>
<th>Captive Auto</th>
<th>Credit Union</th>
<th>Finance</th>
<th>Total Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Q2</td>
<td>0.36%</td>
<td>0.32%</td>
<td>0.24%</td>
<td>0.48%</td>
</tr>
<tr>
<td>2015 Q2</td>
<td>0.40%</td>
<td>0.37%</td>
<td>0.24%</td>
<td>0.52%</td>
</tr>
</tbody>
</table>

Source: Experian-Oliver Wyman Market Intelligence Reports
60-day delinquency balances by state

Source: Experian-Oliver Wyman Market Intelligence Reports

HI = 0.31%
In summary

- Leasing reaches all-time highs and lease payments drop
- Modest high risk growth for new financing; used down YOY
- Loan amounts continue to grow; used payments reach all-time highs with gap between new and used payments rising
- Terms continue to lengthen while rates creep for new and used financing
- Open balances reach all-time highs with majority of loans/balances in prime+
- Fewer loans becoming delinquent (30 dpd) yet increases in balances tied to delinquent loans